



THE
MECHANISM
BEHIND
INSURANCE!

THERE'S
AN ETERNAL
MONETARY
MYSTERY
JAPANESE
PEOPLE
DON'T KNOW
ABOUT:



THE AVERAGE
ANNUAL PAYMENT
PER HOUSEHOLD IS
APPROXIMATELY
400,000 YEN! THE
MARKET SCALES TO
40 TRILLION YEN!
JAPAN IS THE
WORLD'S MOST
CONSPICUOUS
"INSURANCE
NATION!"

IN JAPAN, AN
INCREDIBLE
90% OF
HOUSEHOLDS
HAVE LIFE
INSURANCE.



I DON'T
REALLY UNDER-
STAND IT.

BUT IF YOU
WERE TO ASK
ANYONE IN
TOWN A
SURVEY
QUESTION
ABOUT
INSURANCE...



BUT I DON'T
REMEMBER A
THING
ABOUT WHAT
IT COVERS.

SURE,
I'VE GOT
INSURANCE.



AND THAT'S
JAPAN'S
INSURANCE
SITUATION.

IN OTHER
WORDS,
THEY HAVE
INSURANCE,
BUT KNOW
NOTHING
ABOUT IT.



SOUNDS
INTEREST-
ING.

WE'RE
TRYING TO
SOLVE THE
INSURANCE
RIDDLE.



THERE ARE
QUITE A FEW
WE'VE OWNED
SINCE BEFORE
THE WORLD
WAR.

AS A MATTER
OF FACT, THE
INVESTMENT
CLUB OWNS
A LOT OF
INSURANCE
STOCKS.



THAT'S
TRUE, IT IS.
IT'S A
LUCRATIVE
BUSINESS.

LIFE
INSURANCE
IS PROFIT-
ABLE.

SINCE LIFE
INSURANCE
IS HIGHLY
VALUED.





20th
year
of the
Showa
period:
1945



IT'S
INCREDIBLE
HOW WELL
THEY
REVIVED
FROM THIS.

WOW, IT'S
JUST A
SCORCHED
WILDERNESS.
THERE'S
NOTHING
HERE.



COMMODITY
PRICES WENT UP
BY EIGHT TIMES
IN A MATTER OF
THREE YEARS AND
SEVEN MONTHS,
STARTING IN 1945.
FROM OUR PER-
SPECTIVE, THAT
WOULD BE LIKE A
CAN OF COFFEE
GOING UP TO
1,000 YEN.

THE
ECONOMY
WAS IN A
STATE OF
HYPERIN-
FLATION.



COMPANIES
WERE
HANGING
BY A THREAD,
SO THEY
IMPLEMENTED
CHEAP
MONTHLY
PAYMENT
PLANS.

PEOPLE COULD
BARELY AFFORD
TO BUY FOOD.
NO WONDER
LIFE INSURANCE
MEMBERSHIP
PLUMMETED.



HOW'S
GOT

NORMALLY
BUSINESSES
WOULD STAGNATE
IN SUCH
CIRCUMSTANCES,
BUT JAPANESE
LIFE INSURANCE
GOT THEIR BIG
BREAK INSTEAD.



TO
AROUND
1965 TO
1975.

LET'S FAST
FORWARD A
LITTLE



PEOPLE
WERE
GLUED
TO THEIR
TVS.



"NISSEI'S
OBACHAN ON A
BICYCLE..."
♪



IT'S A
QUINT-
ESSENTIAL
TV
COMMERCIAL
OF THAT
PERIOD.

WHAT'S
THAT?



IT WAS A
CORPORATE
STRATEGY
TO
CREATE THE
IMAGE OF A LIFE
INSURANCE LADY
WHO WAS
LOVED BY ALL
THROUGHOUT
THE NATION.

IT SHOWED A LIFE
INSURANCE LADY
SCAMPERING
AROUND
DIFFERENT
LOCATIONS ON
A BICYCLE.
SHE WAS
DEPICTED AS
FAMILIAR TO
EVERYONE WHO
SAW HER.

THEY'RE
SUCKERS
WHEN IT
COMES TO
PEOPLE WHO
TRY HARD.

THE JAPANESE
PEOPLE ARE
POORLY
INFORMED, IN
GENERAL.

THIS
REMINDS
ME OF THE
SAYING!
"PERSONALITY
SELLS
INCOMPRE-
HENSIBLE
PRODUCTS."

SO EVEN THOUGH
THEY DON'T
UNDERSTAND THE
PRODUCT THEY'RE
BUYING, THEY'LL
SIGN CONTRACTS
BECAUSE THEY
TRUST THE
BUSINESSPERSON'S
CHARACTER.

OF COURSE IT'S
IMPOSSIBLE TO
SELL PRODUCTS
WITHOUT
EXPLAINING
WHAT THEY'RE
ABOUT.

IT'S
CATCHPHRASE
IS THIS:

SO THE
BUSINESS
CONCOCTED A
SPECIAL KIND
OF SALES
TALK.

JAPANESE
PEOPLE ARE
SUCKERS WHEN
IT COMES TO
THE WORDS
"SAVINGS
ACCOUNT!"



"INSURANCE
IS A SAVINGS
ACCOUNT!"

INSURANCE IS A SAVINGS ACCOUNT

IN THOSE
DAYS, THE
INTEREST
RATE WAS
BETWEEN 7%
AND 10%, SO
CONSUMERS
GLADLY
SIGNED UP.



THE STRATEGY
WAS TO SELL
LIFE INSURANCE
AS A SAVINGS
ACCOUNT THAT
COMES WITH
A "DEATH
SECURITY."

LIFE INSURANCE
MEMBERSHIP
SKYROCKETED.
INSURANCE
COMPANIES
WERE RAKING
IN A FORTUNE.

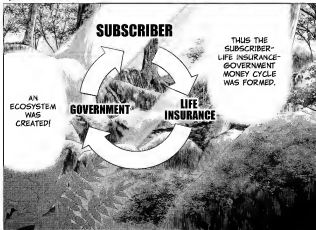
**INSURANCE IS A
SAVINGS ACCOUNT**



THEIR TACTIC
GAVE BIRTH
TO THE "LIFE
INSURANCE
LADY WHO
TRIES HARD"
AND THE
"IRONCLAD
SALES PITCH"
TAG TEAM.



Flyers: Government bond

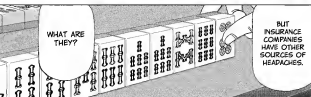




IT'S AS IF
PEOPLE'S
MONEY THEY
HAD EARNED
FROM POSTAL
SAVINGS AND
BANK SAVINGS
GOT FUNNELED
INTO GOVERN-
MENT BONDS.



LIFE INSURANCE
COMPANIES MUST
HAVE PURCHASED
GOVERNMENT BONDS
BECAUSE THEY
BELIEVED THEM TO
BE STABLE FINANCIAL
RESOURCES. THEY
WERE POLITICALLY
INFLUENCED, THAT'S
FOR SURE.



WHAT ARE
THEY?

BUT
INSURANCE
COMPANIES
HAVE OTHER
SOURCES OF
REVENUE.



THE COST
GETS
PROHIBITIVE.

IF THEIR
PRODUCTS
ARE SOLD BY
INDIVIDUAL
AGENTS ON
COMMISSION,
IT'S NOTHING
BUT A HUMAN
WAVE TACTIC.



SINCE
THEY'RE A
BUSINESS,
THEY HAVE
TO INCREASE
PROFITS,
SO THEY
CAME UP
WITH AN
IDEA.



THEY ALSO
REQUIRE
SETTING
UP
BUSINESS
BRANCHES
ALL
ACROSS
THE
COUNTRY.

THAT'S TRUE.
COMMISSION
SYSTEMS
HAVE HIGH
REMUNERATION.



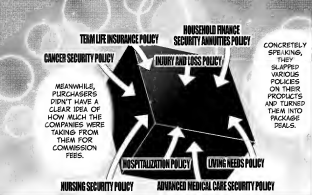
...THE
"BLACK
BOXING"
OF THEIR
PRODUCTS!



THEY
MADE THEIR
PRODUCTS
COMPLICATED,
TO BEFUDDLE
CONSUMERS.



BLACK
BOX?





THE INSURANCE
BUSINESS WORLD
FLOURISHED
THANKS TO PEOPLE
BEING SUCKERS
FOR SAVINGS
ACCOUNTS, THE
IMAGE OF THE LIFE
INSURANCE LADY
WHO TRIES HARD,
AND THE BLACK
BOXING OF
PRODUCTS.

I SEE. NOW
I'VE GOT THE
BIG PICTURE
OF LIFE
INSURANCE.



MISS
YASUGAHARA
EXPLAINED
STUFF TO
US, BUT
NONE OF
THOSE
THINGS.



BUT
WAIT A
SECOND.



THAT'S THE
BENEVOLENT
ASPECT OF
JAPANESE
LIFE
INSURANCE.

BUT WE
ALSO HAVE
DATA THAT
90% OF
INSURANCE
FEES PAID BY
SUBSCRIBERS
HAVE GONE
BACK TO
THEM.

...THEY SET THE
PARAMETERS
HIGHER THAN
THE ACTUAL LIFE
EXPECTANCY
DATA IN THE
"LIFE INSURANCE
STANDARD LIFE
EXPECTANCY
CHART."

ACCORDING
TO A FEW
BOOKS, WHEN
JAPANESE
LIFE
INSURANCE
DETERMINES
THE PRICE
OF LIFE
INSURANCE...

...IF IN FACT
ONLY THREE
PEOPLE DIED, THEN
THE INSURANCE
PAYOUT AGAINST
DEATH WOULD
BE FOR THREE
PEOPLE'S WORTH,
SO THERE WOULD
BE TWO PEOPLE'S
WORTH SURPLUS
THAT THEY
DIDN'T HAVE TO
PAY OUT.

100 People
death
3 people \rightarrow 3 people

2 people's
worth

FOR EXAMPLE...
IF THE PRICE OF
INSURANCE
WERE TO BE
BASED ON THE
PREMISE THAT
FIVE PEOPLE DIE
OUT OF 100 PEOPLE...

BUT THEY
DON'T, AND
THEY KEEP
MAKING A
PROFIT.

100 People
death
5 people \rightarrow 5 people
2 people's
worth

THEY COLLECT
MONEY BASED ON
THE CALCULATION
THAT FIVE PEOPLE
WILL DIE, SO
SHOULDN'T THEY
RETURN THE TWO
PEOPLE'S WORTH
OF SURPLUS BACK
TO THE 97 PEOPLE
THAT ARE STILL
ALIVE?



IT'S SAID
TO BE THE
CORNER-
STONE
OF PROFIT
FOR LIFE
INSURANCE
COMPANIES.

THEY HAVE
A TERM
FOR IT IN
THE LINGO:
THEY CALL
IT "DEATH
SURPLUS."



INSURANCE
COMPANIES
KNOW THE
TECHNIQUES
OF SUBTLE
MANIPULATION
OF NUMBERS.

SO IT'S SET
UP LOOSELY
SO THEY CAN
MAKE A
PROFIT.



100 People
death
3 people \longrightarrow 3 people

2 people's
worth

THE POWER
OF NUMBERS
IS AWESOME.

INSURANCE
IS A PRODUCT
THAT IS BASED
ON NUMBERS.





TO
COLLECT
MONEY
FIRST:

THAT IS
THE ULTIMATE
WAY TO DO
BUSINESS.



"THE
ULTIMATE
WAY TO DO
BUSINESS"?



"TO
COLLECT
MONEY
FIRST?"



WHAT
IS IT?



THIS
COMPANY
HERE JOINED
THE MARKET
JUST TODAY
BEFORE
NOON, AND
I PURCHASED
A LARGE
NUMBER OF
THEIR
SHARES.



WHAT
COMPANY
IS THAT?

FB
COMPANY?



Words on bag: Grab Bag

